

it is not easy for small businesses to do the same.

In January, the Committee on Small Business and Entrepreneurship held a hearing on veterans' small business issues. A majority of our veterans returning from Iraq and Afghanistan are Reserve and National Guard members—35 percent of whom are either self-employed or own or are employed by a small business.

We heard some disturbing statistics about the impact and unintended consequences the call up of reservists is having on small businesses. According to a January 2007 survey conducted by Workforce Management, 54 percent of the businesses surveyed responded that they would not hire a citizen soldier if they knew that they could be called up for an indeterminate amount of time. I am concerned that long call ups and re-deployments have made it hard for small businesses to be supportive of civilian soldiers.

The Active Duty Military Tax Relief Act of 2007 provides a tax credit to small businesses to assist with the cost of paying the salary of their reservist employees when they are called to active duty. A similar provision is included in the Defenders of Freedom Tax Relief Act of 2007.

In addition to helping small businesses, the Active Duty Military Tax Relief Act of 2007 addresses concerns related to differential military pay, income tax withholding, and retirement plan participation. These provisions will make it easier for employers who would like to pay their employees supplemental income, above their military pay, and make pension contributions. Our legislation would make differential military pay subject to Federal income tax withholding. In addition, with respect to the retirement plan rules, the bill provides that a person receiving differential military pay would be treated as an employee of the employer making the payment, and allows the differential military pay to be treated as compensation. These provisions are included in the Defenders of Freedom Tax Relief Act of 2007.

The Active Duty Military Tax Relief Act of 2007 would make permanent the existing provision which allows taxpayer to include combat pay as earned income for purposes of the earned-income tax credit, EITC. Without this provision some military families would no longer be eligible to receive the EITC because combat pay is currently not taxable.

Last Congress, Senator SMITH and I introduced the Fallen Heroes Family Savings Act, which we have incorporated into the Active Duty Military Tax Relief Act. This provision provides tax relief for the death gratuity payment that is given to families who have lost a loved one in combat. This payment is currently \$100,000.

Our current tax laws do not allow the recipients of this payment to use it to make contributions to tax-preferred saving accounts that help with saving

for retirement. The Active Duty Military Tax Relief Act of 2007 would allow military death gratuities to be contributed to certain tax-preferred accounts. These contributions would be treated as qualified rollovers. A similar provision is included in the Defenders of Freedom Tax Relief Act of 2007.

Our service men and women need to know that we are honoring their valor by taking care of those they leave behind. Helping ease the tax burden on the death gratuity will enable military families to save more for retirement. These changes to our tax laws will help our military families with some of their financial burdens. It cannot repay the sacrifices they have made for us, but it is a small way we can support our troops and their families at home as well as abroad.

By Mr. LAUTENBERG (for himself, Mr. INOUE, Mr. SMITH, and Mr. STEVENS):

S. 1594. A bill to amend title 46, United States Code, to improve safety and security for especially hazardous cargoes, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. LAUTENBERG. Mr. President, I rise today to introduce the Maritime Hazardous Cargo Security Act of 2007 along with my colleagues Senators INOUE, STEVENS, and SMITH. As the bipartisan leaders of the Senate Committee on Commerce, Science, and Transportation and its Subcommittee on Surface Transportation and Merchant Marine Safety, Security, and Infrastructure, we have been working together over the course of this session to evaluate the risks posed by the transportation of especially hazardous cargo in the maritime sector. This bill is the result of exhaustive research and consultation with affected industries and the Department of Homeland Security. Ships bringing liquefied natural gas, LNG, from foreign ports as well as the facilities along America's shores that handle LNG must be better secured against terrorism.

With so much focus on hazardous cargo that is transported on our roads and railways, we must not neglect the much larger shipments of hazardous cargoes that are carried by vessel. Energy supply challenges in our country have led to the proposals for approximately 70 new shoreside facilities in the United States to receive liquefied natural gas via oceangoing tank vessel. Many of the safety and security risks of the transportation of this commodity are known and have been detailed by the Government Accountability Office. Furthermore, other chemicals and petrochemicals can present even greater security risks.

The shipping system for these commodities is international in scope, so our bill would require the administration to work with our international trading partners to develop standards of care to adequately protect those ships, facilities, employees and nearby

communities and residents from attacks involving these and other hazardous cargoes. Our proposal would require significant steps to protect the safety and security of our regional and national economies, and the public health, from the potential hazards of high risk cargo transported by ship.

Specifically the Maritime Hazardous Cargo Act of 2007 would: Direct the Administration to work with international partners to develop standards and procedures for the safe and secure handling of especially hazardous cargoes, EHC, for all vessels and port facilities; require successful completion of U.S. Coast Guard Incident Command System, ICS, training for all personnel responsible for the safety and security of a vessel in port; require the Department of Homeland Security to develop regional response and recovery plans for the resumption of commerce after disruption by a security incident; authorize the U.S. Coast Guard to develop cost share plans for security costs associated with high-risk U.S. facilities; authorize assistance to foreign ports that handle and transport EHC's for the purpose of complying with or exceeding current International Ship and Port Facility Code, ISPF, standards; authorize voluntary third party validation of international port facilities to certify they meet or exceed international safety standards; and require the U.S. Coast Guard to develop a resource allocation plan to show how its proposed budget will be used for EHC security operations and to report to Congress biannually.

In summary, the Maritime Hazardous Cargo Act of 2007 will require strengthening of Federal protections against terrorist attacks on facilities and vessels that transport, handle, and store especially hazardous cargoes, EHC's. The transportation of EHC's by ship can pose a significant risk to the public safety and the economic security of the Nation, particularly the transportation of chemicals and petrochemicals such as anhydrous ammonia, ammonium nitrate, chlorine, liquefied natural gas and liquefied petroleum gas. Currently, no international standards exist for the safe and secure handling of these chemicals/petrochemicals by ship and limited U.S. Coast Guard resources for EHC security poses a dangerous risk to our communities. Further, I intend to work with my cosponsors and other colleagues to ensure there are sufficient resources in the Federal budget to carry out the provisions of the bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Maritime Hazardous Cargo Security Act".